

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7213

BILL NUMBER: HB 1436

NOTE PREPARED: Jan 2, 2003

BILL AMENDED:

SUBJECT: Review of Mandated Benefits.

FIRST AUTHOR: Rep. Welch

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Department of Insurance to report to the Legislative Council an analysis of information filed by accident and sickness insurers and health maintenance organizations related to the effect of implementation of mandated benefits.

Effective Date: July 1, 2003.

Explanation of State Expenditures: *Summary:* The Department of Insurance indicates that they will need to hire one FTE at a cost of \$46,789 for FY 2004 and \$46,790 for FY 2005. The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Background: The Department of Insurance currently reviews health insurance rate filings, including policies of accident and sickness insurance and health maintenance organizations. This bill requires accident and sickness insurers and health maintenance organizations to submit to the Department information regarding the effect of mandated benefits on rates. The Department states that they would need to develop a new reporting form and hire an additional rate analyst in order to comply with this legislation. The Department could develop the new form internally, given current staff and resources, at no additional cost.

The Department of Insurance currently has one FTE dedicated to reviewing health insurance rate filings. The

Department also contracts with actuarial consultants for review of filings. The cost of adding a rate analyst is estimated to be \$46,789 for FY 2004 and \$46,790 for FY 2005.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Insurance.

Local Agencies Affected:

Information Sources: Greg Thomas, Chief Deputy Commissioner, Department of Insurance, 317-232-2406.

Fiscal Analyst: Michael Molnar, 317-232-9559